



Transaction Costs in Carbon Offset Markets

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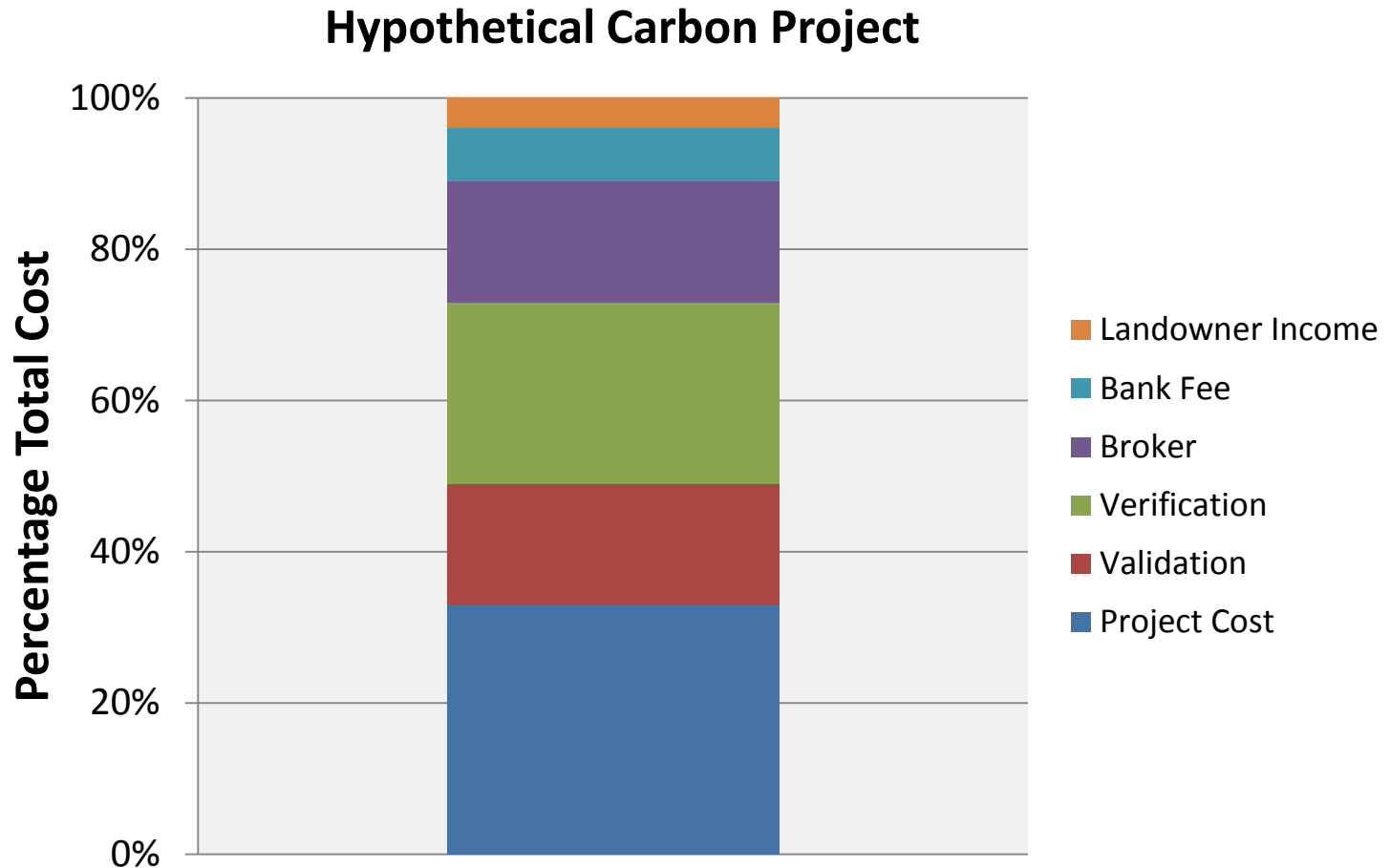


Some framing questions...

- What costs are we talking about?
- Why does it matter?
- What factors influence these costs?
- How can tools like COMET help?



What does it take to get a credit to market?



Cost Breakdown

- Project Costs
 - Landowner outreach
 - Legal costs
 - Project planning
 - Project installation
 - Operations and maintenance
- Validation Costs
 - Site visit
 - Auditor
- Broker Costs
 - Legal costs
 - Buyer outreach
- Project Verification
 - Desk reviews
 - Site visits
- Registry Costs
 - Account fees
 - Credit registration fees



Why does it matter?

To make markets work, we need participation from landowners.

To get landowners to participate, we need to provide incentives.

Efficiency is important to make this an effective market solution.

Transaction Cost Influencers

- Scale
 - Aggregation
- Uncertainty
 - Practice performance/model uncertainty
 - Legal uncertainty/risk aversion
- Ease of verification
 - Tools can play a role
- Validation
 - Baseline determination
- Protocol design
 - Credibility vs. Cost
- Landowner considerations
 - Contracts/easements

What is COMET-Farm?

COMET-Farm is a whole farm and ranch carbon and greenhouse gas accounting system.

The tool guides you through describing your farm and ranch management practices including alternative future management scenarios. Once complete, a report is generated comparing the carbon changes and greenhouse gas emissions between your current management practices and future scenarios.

[Start Using COMET-Farm](#)

Tools like COMET-Farm can help

- Data collection
- Pre-project GHG assessment
- Simplifies calculations

Goals today:

- How can we use tools like COMET-Farm to reduce transaction costs?
- How is COMET-Farm useful today, and how is it not useful?
- How can we make COMET-Farm more useful?



Questions?

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